



Human Resources  
Development Canada

Développement des  
ressources humaines Canada

Government  
Publications

CA1  
HW 170  
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# Basic Facts on Social Security Programs

November 1994



3 1761 11556783 6

Canada

CA-251-01-95E



# Basic Facts on Social Security Programs

November 1994



Published by the authority of the  
Minister of Human Resources Development

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Cat. No. H21-106/1994E  
ISBN 0-662-22915-0




## **Introduction**

There is a wide range of social security programs in Canada. This publication is intended to outline features of programs and services for which Human Resources Development Canada has full or shared responsibility.

Each chapter provides a current description of the program, including benefit rates where applicable, and the most recent statistical data on beneficiaries and expenditures.

Additional information on any program described in this publication may be obtained from the relevant program branches or the Enquiries Centre of Human Resources Development Canada (fax: (819) 953-7260).



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## **Alcohol and Drug Treatment and Rehabilitation Program (ADTR)**

This program is a component of Canada's Drug Strategy (formerly called the National Drug Strategy), which was announced in May 1987 and renewed in March 1992. Under time-limited agreements with the provinces<sup>1</sup>, the federal government extends financial support to increase and improve the availability of alcohol and drug treatment and rehabilitation programs. The intention of the program is to combat alcohol and drug problems in Canada, with special emphasis on programs for youth.

The first ADTR agreement took effect April 1, 1988 for a two-year period. Agreements were in place for the period from April 1, 1990 to March 31, 1993. Extension of the ADTR agreement is in process.

While the federal government specifies the terms for obtaining cost-sharing, provinces are solely responsible for the administration of their programs, including their design, eligibility requirements and method of delivery.

### **Eligibility**

Eligible clients are persons who require alcohol and drug treatment and rehabilitative services, with particular emphasis on youth.

### **Benefits**

Federal support extends to a range of services associated with the treatment and rehabilitation continuum, including:

- detoxification services;
- early identification and intervention;
- assessment and referral;
- basic counselling/case management;
- definitive therapeutic intervention;
- special access services;
- aftercare/clinical follow-up;
- awareness and development; and
- research and evaluation.

Funding also extends to time-limited projects associated with workplace initiatives.

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<sup>1</sup> Throughout this publication, the terms "province" or "provincial" refer to both "province/territory" or "provincial/territorial" respectively.

Cost-sharing applies only to costs of provincially-funded services to the extent that they are new or expanded as of April 1, 1987. Shareable costs include:

- salaries (and related benefits);
- staff travel/training costs;
- costs related to program management and administration with respect to direct services;
- the cost of goods and services purchased for individuals; and
- all expenditures attributable to awareness and development, research and evaluation, as well as workplace initiatives.

### **Financing/Administration**

The ADTR program is administered by the Social Development and Education Group of Human Resources Development Canada (HRDC). Federal contributions are made on the basis of annual appropriations and are paid pursuant to federal-provincial ADTR agreements.

**Alcohol and Drug Treatment and  
Rehabilitation  
Federal Contributions  
1992-93  
(\$000s)**

<b>Province/Territory</b>	
<b>Newfoundland</b>	75
<b>Prince Edward Island<sup>1</sup></b>	--
<b>Nova Scotia</b>	668
<b>New Brunswick</b>	147
<b>Quebec</b>	1,619
<b>Ontario</b>	6,284
<b>Manitoba</b>	105
<b>Saskatchewan</b>	960
<b>Alberta</b>	1,200
<b>British Columbia</b>	2,051
<b>Yukon<sup>1</sup></b>	--
<b>Northwest Territories<sup>1</sup></b>	--
<b>Total<sup>2</sup></b>	13,109

1. Prince Edward Island, Yukon and the Northwest Territories did not sign an ADTR Agreement in 1992-93.

2. Total may not add due to rounding.

Source: Social Development and Education Group, Human Resources Development Canada.

## Canada Assistance Plan (CAP)

The *Canada Assistance Plan (CAP)*, enacted in 1966, and its Regulations enable the federal government to share in the costs of a wide range of provincial social welfare programs. These programs form a vital component of Canada's social safety net in assisting disadvantaged persons. Persons who benefit from programs and services funded under CAP include: persons with mental and physical disabilities; single parent families; aged persons; unemployed persons and low-income workers and their children; children who are abused or neglected; families or individuals in crisis; and battered women and their children.

The *Canada Assistance Plan* is divided into three parts: Part I deals with the provision of assistance and welfare services; Part II deals with Indian Welfare; and Part III deals with Work Activity Projects. Federal/provincial agreements have been signed with all provinces and territories under Part I, and with the provinces only under Part III. No agreements have been signed under Part II<sup>2</sup>.

In accordance with the *Constitution Act*, 1982 (formerly the *British North America Act* of 1867), each province is responsible for the design, administration and delivery of social welfare programs. The *Canada Assistance Plan* does not govern provincial programs and services; rather, it sets certain cost-sharing conditions which provinces must meet to obtain a federal contribution towards eligible costs incurred.

The primary objectives of CAP are to support the provinces in providing:

- financial assistance to persons in need; and
- welfare services designed to lessen, remove or prevent the causes and effects of poverty, child neglect or dependence on public assistance.

Administratively, CAP consists of the following program components: general assistance; homes for special care; health care; child welfare; welfare services; and work activity projects. Each component is described below.

### **(a) General Assistance**

Through the General Assistance component of CAP, the federal government shares in the cost of social assistance (i.e., welfare payments) provided by each province to persons in need. Under CAP, assistance includes the following basic requirements: food, shelter, clothing, fuel, utilities, household supplies and personal needs. Assistance may also include travel costs, funerals/burials, items incidental to carrying on a trade or other employment, and special needs (e.g., repairs or alterations to property, civil legal aid, items required by persons with disabilities, etc.).

Approximately two-thirds of CAP funding goes towards provincial social assistance programs. These programs are designed to provide income to meet the cost of basic requirements of a single person or family when all other financial resources have been exhausted. Provinces

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<sup>2</sup> The federal Department of Indian Affairs and Northern Development is responsible for social welfare programs to Indians living on reserves.

are responsible for setting benefits levels, which vary according to client category, family size and composition, and shelter situation. Financial assistance covers the cost of basic needs and, in some provinces, regularly-recurring special needs. Clients may also receive other benefits, including the payment of health insurance premiums (where applicable) and ancillary health-related benefits such as drugs, dental care and vision care. The level of financial assistance and health-related coverage available varies considerably between provinces.

**(b) Homes for Special Care**

CAP shares in the cost to provinces of providing care for persons in need residing in recognized homes for special care such as homes for the aged, nursing homes, hostels for transients, child care facilities and hostels for battered women and children. Since April 1977, the major portion of federal costs related to long-term residential care for adults has been included under the Extended Health Care Services provisions of the *Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act*.

**(c) Health Care**

CAP shares in certain health-related expenditures, such as drugs and dental care, on behalf of persons in need, provided the costs are not covered under provincial health care programs or under the provisions of the *Canada Health Act* and are not block-funded under the *Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act*.

**(d) Child Welfare**

The majority of the payments under this component relate to the costs of maintaining children in foster homes. Residential or institutional costs for children are included in the Homes for Special Care component.

**(e) Welfare Services**

CAP shares in the cost of a range of welfare services delivered by agencies to persons in need or persons likely to become in need. These include day care services for children, homemakers and other home support services, rehabilitation services, adoption services, community development services, and casework/counselling/assessment/referral services including protective services for children. A large portion of welfare services costs relate to the salaries of provincial and municipal staff who deliver assistance and welfare services to eligible persons.

**(f) Work Activity Projects**

CAP shares in the costs of work activity projects designed to assist people who experience unusual difficulty in obtaining or holding employment.

**Eligibility/Benefits**

The federal government specifies conditions for cost-sharing of provincial programs and services under the *Canada Assistance Plan* and Regulations, separate standard agreements signed with each province, and program policies outlined in notes and guidelines.

To be eligible for cost-sharing under CAP, provinces must have received prior federal approval and be providing financial support for the program or service. The following conditions exist for cost-sharing of provincial assistance programs:

- financial assistance must be provided to a "person in need", in accordance with provincial law, who seeks such help. CAP defines "persons in need" as persons who, regardless of the cause, are unable to provide adequately for themselves and their dependants; persons under the age of 21 who are in the care, custody or supervision of a child welfare authority; or foster children;
- the provinces must not impose a residency requirement as a condition of eligibility;
- provinces must establish, by law, a procedure by which applicants may appeal decisions with respect to social assistance; and
- provinces must keep records for audit purposes and provide program information to the federal government on cost-shared programs.

Provinces must determine financial eligibility for social assistance on the basis of a "**needs test**". This takes into account the budgetary requirements, income and assets available to the applicant and other members of the applicant's household to meet such requirements. Each jurisdiction defines its own budgetary requirements and their value, as well as the treatment of income and assets from various sources.

Welfare services are provided to persons in need or persons who are likely to become in need unless such services are provided. CAP shares in staff costs such as salary, travel and training provided either directly by the province or by provincially-approved non-profit agencies. In most cases, CAP does not share capital or operating costs.

## **Indexation**

Provinces are responsible for setting and indexing social assistance benefit levels.

## **Taxation**

Social assistance benefits are not subject to income tax. However, they are taken into consideration in determining entitlement to the federal Child Tax Benefit and the Goods and Services Tax Credit.

## **Financing/Administration**

CAP advances, on a monthly basis, one-twelfth of the forecasted annual federal contribution for provincial programs and services. Each province must submit a final fiscal year claim which CAP reviews and audits to arrive at a settlement for the period in question.

Until recently, provinces could claim 50 percent of eligible costs of approved programs or services. However, as a result of fiscal restraint measures announced in the 1990 and 1991

federal budgets, annual increases in the federal contribution under CAP to Ontario, Alberta and British Columbia have been limited to five percent per year, using 1989-90 as the base year, until the end of 1994-95. The 1994 Budget included a provision that provincial CAP entitlements in 1995-96 would be held to the 1994-95 levels. The Discussion Paper *Improving Social Security in Canada* indicated that, given the fiscal context, in 1996-97 and beyond, funding for CAP or possible successor programs that might result from social security reform will not exceed its 1993-94 funding level.

Funding for programs and services under the Canada Assistance Plan is provided from the federal government's Consolidated Revenue Fund. In Quebec, funding is through a combination of cash transfers under CAP and tax transfers under the *Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act*.

The Canada Assistance Plan is administered by the Social Development and Education Group of Human Resources Development Canada.

## **Related Initiatives/Programs**

### ***Federal-Provincial Agreements to Enhance the Employability of Social Assistance Recipients***

Human Resources Development Canada and provincial departments responsible for social services and labour market matters have entered into agreements to assist social assistance recipients to make a successful transition from welfare to work. The emphasis is on programs which provide a continuum of services and training experiences designed to respond to individual client needs and include pre-employment assessment and counselling, life skills training, classroom training, on-site work experience, wage subsidies, and bridging and transitional supports.

The original agreements were signed in 1985, with all jurisdictions except Yukon participating. A new series of five-year agreements, effective April 1, 1991, are now in place with all jurisdictions except for the province of Quebec, where federal programming continues to be provided under an administrative arrangement. Funding is on a cost-matching basis with each level of government spending an equal amount of money. The current combined funding level is \$400 million annually.

### ***New Brunswick Works***

Announced in 1992, this six-year, federal/provincial pilot demonstration project aims to assist long-term social assistance recipients in making the successful transition from welfare to employment. In order to participate in this voluntary program, social assistance clients must be in receipt of long-term assistance, have less than a grade 12 education, have little or no formal labour force attachment, and be assessed as having high employment potential.

Participants receive a continuum of programs and services designed to ensure that they reach a level of education and skill proficiency and obtain a level of work experience to permit them to permanently join the labour force. A longitudinal study will evaluate the impact of the project.

The federal and provincial governments are providing a total of \$177 million over the course of the project. New Brunswick's Department of Human Resources Development is responsible for administering the project.

### ***Social Assistance Recipients' Self-Sufficiency Projects***

This five-year research initiative, which was announced in 1992, focuses on assisting job-ready social assistance recipients to leave social assistance, enter the labour force and achieve self-sufficiency. The projects, implemented in New Brunswick in November 1992 and in British Columbia in January 1993, will assess the effect of a temporary earnings supplement in encouraging social assistance recipients to take jobs.

The project focuses primarily on single parents on social assistance who have the skills to enter the labour force but who cannot meet their family's needs through low, entry-level wages. Participants must leave social assistance for full-time employment, where they receive an earnings supplement for up to three years to bridge the gap between entry-level wages and experienced workers' wages. The supplement amounts to one-half the difference between the participant's annual earnings and a reference level (\$30,000 per year in New Brunswick and \$37,000 per year in B.C.). There are approximately 1,500 participants in New Brunswick and 3,500 participants in B.C.

The projects are funded through HRDC's Innovations program, at a total cost of \$50 million. Both projects are administered by the Social Research and Demonstration Corporation, a non-profit Canadian social policy research company.

**Estimated Number of Persons Assisted<sup>1</sup>  
under the Canada Assistance Plan  
March 1993**

Province/Territory	Assistance Recipients	Persons in Homes for Special Care <sup>2</sup>		Children in Care
		Adults	Children	
<b>Newfoundland</b>	68,100	1,200	790	760
<b>Prince Edward Island</b>	12,600	340	80	210
<b>Nova Scotia</b>	98,700	2,680	1,310	1,520
<b>New Brunswick</b>	78,100	2,470	980	1,130
<b>Quebec</b>	741,400	6,670	14,450	n/a <sup>3</sup>
<b>Ontario</b>	1,287,000	25,650	12,080	10,010 <sup>4</sup>
<b>Manitoba</b>	88,000	3,570	3,070	5,430
<b>Saskatchewan</b>	68,200	2,570	1,120	2,460
<b>Alberta</b>	196,000	5,170	2,220	3,780
<b>British Columbia</b>	323,300	11,670	5,600	6,110
<b>Yukon</b>	2,500	130	90	200
<b>Northwest Territories</b>	11,100	80	170	500
<b>Total</b>	2,975,000	62,200	41,960	--

1. All figures are estimates. It should be noted that provincial definitions differ and the resulting numbers are not comparable. In addition, approximately 1.1 million persons benefited from welfare services cost-shared under CAP.
2. Based on the number of beds in homes listed in Schedule A to the CAP Agreement.
3. Quebec figures are not available. The Quebec statistical system captures the number of interventions made on behalf of children in care and does not count individual children.
4. June 1993 figure.

Note: Care should be taken in using these figures, since individuals may appear in more than one category; totalling categories would therefore result in double-counting.

Source: Social Development and Education Group, Human Resources Development Canada.

**Canada Assistance Plan  
Federal Payments by Program Component<sup>1</sup>  
1992-93  
(\$000s)**

Province/Territory	General Assistance	Homes for Special Care	Health Care	Child Welfare	Welfare Services	Work Activity Projects	Total <sup>4</sup>
Newfoundland	98,421	7,059	15,218	6,897	23,694	109	151,398
Prince Edward Island	21,373	4,034	1,547	884	7,653	--	35,491
Nova Scotia	170,075	19,261	11,082	12,547	33,759	1,887	248,611
New Brunswick	154,296	9,275	8,335	3,220	52,187	--	227,313
Quebec <sup>2</sup>	1,602,256	214,704	132,710	39,591	496,572	386	2,486,219
Ontario <sup>1</sup>	--	--	--	--	--	--	2,282,903
Manitoba	172,470	18,427	8,425	20,247	72,792	1,872	294,233
Saskatchewan	124,813	17,386	6,987	8,042	39,821	--	197,049
Alberta <sup>1</sup>	--	--	--	--	--	--	618,960
British Columbia <sup>1</sup>	--	--	--	--	--	--	803,204
Yukon	4,220	1,238	--	271	5,225	--	10,954
Northwest Territories	15,732	3,178	--	1,311	6,097	--	26,318
Total <sup>3,4</sup>	--	--	--	--	--	--	7,382,653

1. Federal payments by program component are not available for Ontario, Alberta and British Columbia, due to a limit in federal contributions to an annual growth of five percent.

2. Federal contributions to Quebec include tax transfers totalling \$661 million under the *Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act*.

3. Component totals are not provided due to non-availability of data for Ontario, Alberta and British Columbia.

4. Totals may not add due to rounding.

Note: The above amounts reflect payments made to provinces for claims submitted during the fiscal year and may include payments for costs incurred in previous years.

Source: Social Development and Education Group, Human Resources Development Canada.

**Provincial Social Assistance Programs  
Cost-Shared Under CAP  
Estimated Number of Cases  
and Recipients  
March 1993**

<b>Province/Territory</b>	<b>Number of Cases<sup>1</sup></b>	<b>Number of Recipients<sup>2</sup></b>
Newfoundland	32,200	68,100
Prince Edward Island	6,200	12,600
Nova Scotia	50,200	98,700
New Brunswick	42,100	78,100
Quebec	450,700	741,400
Ontario	656,900	1,287,000
Manitoba	49,800	88,000
Saskatchewan	35,000	68,200
Alberta	93,600	196,000
British Columbia	193,800	323,300
Yukon	1,400	2,500
Northwest Territories	4,300	11,100
<b>Total</b>	<b>1,616,200</b>	<b>2,975,000</b>

1. The term "case" refers to a household, either single or multiple-person.
2. The term "recipient" refers to all persons in a household.

Source: Strategic Policy Group, Human Resources Development Canada.

**Provincial Social Assistance Programs  
Cost-Shared Under CAP  
Percentage Distribution of Cases  
by Age Group of Head,  
for Canada  
March 1993**

<b>Age Group</b>	<b>Percentage Distribution of Cases</b>
<b>Less than 25 years</b>	21.0
<b>25-29 years</b>	16.3
<b>30-39 years</b>	29.0
<b>40-49 years</b>	16.7
<b>50-54 years</b>	5.7
<b>55-64 years</b>	10.1
<b>65 years and over</b>	1.2
<b>Total<sup>1</sup></b>	100.0

1. Total number of cases for the month of March 1993 was 1,616,200.

Source: Strategic Policy Group, Human Resources Development Canada.

**Provincial Social Assistance Programs  
Cost-Shared Under CAP  
Percentage Distribution of Recipients  
by Family Type,  
for Canada  
March 1993**

<b>Family Type</b>	<b>Percentage Distribution of Recipients</b>
<b>Single Persons</b>	31.1
<b>Couples, no children</b>	5.4
<b>Couples with children</b>	11.4
<b>Single Parents</b>	14.8
<b>Children<sup>1</sup></b>	37.3
<b>Total<sup>2</sup></b>	100.0

1. Approximately 70 percent of these children live in single parent, social assistance households.

2. The total number of recipients for the month of March 1993 was 2,975,000.

Source: Strategic Policy Group, Human Resources Development Canada.

## **Canada Pension Plan (CPP)**

The Canada Pension Plan is a compulsory contributory social insurance plan that protects workers and their families against loss of income from employment or self-employment due to retirement, disability or death. CPP operates in all regions of Canada except Quebec, which has established a comparable provincial pension plan in lieu of, but closely associated with, the CPP.

### **Eligibility**

To be eligible for benefits, a person must have contributed to the Canada Pension Plan for a specific period which varies according to the type of benefit. The majority of working Canadians and their dependants are eligible, as contribution to the plan is compulsory for most employed and self-employed Canadians between the ages of 18 and 65.

For 1994, contributions are made on the portion of an individual's annual earnings falling between \$3,400 and \$34,400. The contributory rate is 2.6 percent of covered earnings for employees and employers (5.2 percent for self-employed persons). The maximum annual contribution for an employee and employer is \$806 each, and the maximum contribution for the self-employed is \$1,612.

### **Benefits**

Upon application, CPP provides the following types of monthly benefits: retirement pension; disability pension; surviving spouse's pension; disabled contributor's child's benefit; and orphan's benefit. A lump sum death benefit is also available.

To compensate for periods of unemployment, illness, schooling, etc., there is a provision that allows a beneficiary having a contributory period of more than 10 years to drop from the contributory period months of low or zero earnings totalling up to 15 percent of the total period. This drop-out provision, however, must not reduce the contributory period to less than 10 years. Any month during which a disability pension was payable is excluded from the contributory period.

A special child-rearing drop-out provision allows for the exclusion from the benefit calculation of any months of low or zero earnings that occurred after January 1, 1966 because a person was caring for a child under age seven. The contributor must also have been in receipt of federal Family Allowance benefits in respect of the child prior to 1993, or have met the general eligibility criteria (excluding income requirements) for the Child Tax Benefit as of January 1, 1993.

#### **(a) *Retirement Pension***

A retirement pension may be payable to a person between the ages of 60 and 70 who made at least one valid contribution to the Plan. For a CPP retirement pension to be paid prior to age 65, the contributor must have stopped working or have an annual income from work less than the maximum annual retirement pension payable at age 65 for that same year. A contributor who has reached 65 years of age is not required to stop working in order to qualify for a retirement pension.

The annual amount of the retirement pension is equal to 25 percent of average pensionable career earnings received during the contributory period. Past earnings are updated to reflect the growth in average wages. The amount of the monthly pension depends on the age of the contributor when the pension becomes payable, and on the contributor's earnings and contributions to the plan. It is calculated based on a 0.5 percent reduction for each month prior to age 65 and increased by 0.5 percent for each month after age 65, until the contributor reaches age 70. Once the amount of the benefit has been calculated, the pension remains the same except for annual indexation.

**(b) *Disability Pension***

CPP provides a disability pension to a person who has a severe and prolonged mental or physical disability and who meets minimum contributory requirements. A person is eligible if incapable of regularly pursuing any substantially gainful employment due to a disability likely to be of long or indefinite duration, or likely to result in death. Eligibility requirements state that contributions to CPP must have been made during two of the last three or five of the last ten calendar years. Contributors who delay applying for benefits and who no longer meet the contributory requirements can also qualify as long as they met the requirements at the time they became disabled.

Disability benefits consist of a flat-rate portion unrelated to previous earnings and paid to all beneficiaries, plus an earnings-related portion equal to 75 percent of the retirement pension that would be payable if the person were 65 years of age.

Since the Unemployment Insurance program provides sickness benefits for a maximum of 15 weeks, a CPP disability pension begins the fourth month after the month in which the person was declared disabled and continues until the beneficiary ceases to be disabled, reaches age 65 (at which time the retirement pension is payable), begins receiving a retirement pension between the ages of 60 and 65, or dies.

**(c) *Surviving Spouse's Pension***

CPP benefits are payable to the spouse of a deceased contributor or to a person of the opposite sex who lived with the contributor in a marital relationship for at least one year immediately prior to the contributor's death. Contributions must have been made for a minimum qualifying period of between three and ten years, depending on the length of the contributory period.

The surviving spouse's pension for survivors under age 65 consists of a flat-rate benefit plus 37.5 percent of the contributor's retirement pension (or of the amount the contributor would have received if he or she were 65 years of age at the time of death). Eligibility for a surviving spouse's pension is based on the following factors: the age of the surviving spouse; whether the spouse is disabled; and whether the spouse is caring for dependent children. For survivors over age 65, the pension is equal to 60 percent of the contributor's retirement pension.

A CPP surviving spouse's pension continues to be payable on remarriage. However, only one survivor's pension can be paid to a surviving spouse although he or she may have been widowed more than once. In such a case, the highest of the pensions is paid.

**(d) Combined Pension**

There are two types of combined pensions that may be available under CPP. The first type consists of a surviving spouse's pension plus a disability pension; this benefit is payable to a widowed contributor who is otherwise eligible for a disability pension. The second type of combined pension, payable to a widowed contributor eligible for a retirement benefit, consists of a surviving spouse's pension plus a retirement pension. Combined benefits are subject to certain limits.

**(e) Disabled Contributor's Child's Benefit and Orphan's Benefit**

The disabled contributor's child's benefit and the orphan's benefit both consist of flat-rate monthly amounts payable on behalf of the dependent child of a beneficiary of a disability pension and of a deceased contributor, respectively. The benefits are paid for a child up to the age of 18, or up to the age of 25 in the case of a full-time student. Benefits after age 18 are suspended if the child is no longer attending school on a full-time basis, but may be reinstated if schooling resumes between the ages of 18 and 25.

A maximum of two benefits (one benefit per parent) will be paid on behalf of a child whose contributing parents have died or become disabled.

**(f) Death Benefit**

A death benefit is payable to the estate of a contributor who has made contributions for at least the minimum qualifying period (between three and ten years, depending on the length of the contributory period). The benefit consists of a lump sum payment equal to six times the contributor's monthly retirement pension, up to a maximum of \$3,440 in 1994.

**Division of Pension Credits**

The Canada Pension Plan contains provisions for the equal division of pension credits, earned by one spouse or both, in the event of marriage breakdown. Provisions for credit-splitting have existed since 1978; however, they were substantially revised and expanded as of January 1987. In the case of divorce after January 1, 1987, pension credits earned during cohabitation are divided equally between spouses upon submission of the necessary information to the Minister of Human Resources Development. The former spouses must have cohabited for at least one year. In all cases, credit-splitting will be disallowed when detrimental to both parties or when a prior spousal agreement, permitted under provincial law, expressly waives such a split.

CPP also allows credit-splitting in cases of separation (both marriages and common-law relationships) where the spouses have been separated for at least 12 consecutive months provided that the separation occurred on or after January 1, 1987. There is no time limit for application by legal spouses except where one dies, in which case application must be made within three years of the date of death. Common-law spouses must apply within four years of the date of separation.

## **International Social Security Agreements**

Reciprocal international social security agreements with other countries are designed to ensure that no one is left without coverage and to avoid duplication of coverage.

Persons residing in Canada may add the credits earned under the social security system of a reciprocating country to their Canadian credits when establishing eligibility for CPP disability, survivors' or death benefits; the reverse is also true with respect to a former Canadian resident living in a reciprocating country. Where this totalization provision of the agreements is used to determine eligibility for benefits, the amount of benefit paid by each of the two countries is in proportion to the actual credited periods earned under its legislation.

The retirement pension is not included in the agreements, since it is payable to a person if one valid contribution has been made to CPP.

Agreements are in force between the Canadian federal government and 27 countries: Antigua and Barbuda, Australia, Austria, Barbados, Belgium, Cyprus, Denmark, Dominica, the Federation of St. Kitts and Nevis, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Jamaica, Jersey and Guernsey, Luxembourg, Malta, the Netherlands, Norway, Portugal, Saint Lucia, Spain, Sweden and the United States. In addition, agreements have been signed with Switzerland in February and the Philippines in September 1994. These will come into force when ratified.

## **Indexation**

Maximum benefit amounts are adjusted annually to reflect increases in the cost of living as measured by the Consumer Price Index (CPI).

## **Taxation**

CPP benefits are considered as taxable income.

## **Financing/Administration**

CPP is funded through employer, employee and self-employed contributions which are deposited in the Canada Pension Plan Investment Fund, plus interest earned on the investment of funds in excess of benefit and administrative expenses. The Income Security Programs Branch of Human Resources Development Canada has the overall responsibility for the administration of the Canada Pension Plan. Revenue Canada is responsible for coverage and the collection of contributions. The Department of Finance has responsibility for the financing of the Plan as well as management of the CPP Investment Fund.

## **Related Initiatives/Programs**

The province of Quebec operates a comparable provincial plan, known as the Quebec Pension Plan (QPP), in place of the CPP. It also provides retirement, disability and survivors' pensions, certain children's benefits and death benefits. The operation of the two plans is coordinated through a series of agreements between the federal and Quebec governments. Benefits from either plan are based on pension credits accumulated under both plans.

**Canada Pension Plan<sup>1</sup>**  
**Maximum Monthly Benefits**  
**by Type of Benefit**  
**1994**

<b>Type of Benefit</b>	<b>1994</b>
<b>Retirement Pension (Earnings-related)</b>	
60 years	\$486.11
65 years	694.44
70 years	902.77
<b>Disability Pension</b>	839.09
Flat-rate portion	(318.26)
Earnings-related portion	(520.83)
<b>Surviving Spouse's Pension</b>	
65 or over (Earnings-related)	416.66
Under 65 years	384.59
Flat-rate portion	(124.17)
Earnings-related portion	(260.42)
<b>Combined Pension</b>	
Retirement (65 years)/Surviving Spouse's Pension	694.44
Disability/Surviving Spouse's Pension	1,012.70
<b>Disabled Contributor's Child's Benefit (Flat-rate)</b>	160.47
<b>Orphan's Benefit (Flat-rate)</b>	160.47
<b>Death Benefit (Lump sum)</b>	3,440.00

1. Maximum monthly benefit rates for the Quebec Pension Plan are identical except for the disabled contributor's child's benefit and the orphan's benefit (\$50.95 each in 1994) and the flat-rate portion of the surviving spouse's pension for beneficiaries under 65 years of age (\$399.59 for beneficiaries 55 to 64 years of age and \$318.26 for those under 55 years of age in 1994).

Source: Income Security Programs Branch, Human Resources Development Canada.

**Canada Pension Plan  
Number of Beneficiaries by Type  
March 1994**

Province/Territory	Retirement Pension	Disability Benefits		Survivor Benefits		Total <sup>1</sup>	Death Benefits <sup>2</sup>
		Disability Pension	Child's Benefit	Surviving Spouse's Pension	Orphan's Benefit		
Newfoundland	41,734	7,819	4,170	15,897	3,216	68,705	1,984
Prince Edward Island	13,523	1,786	760	4,688	733	19,437	598
Nova Scotia	87,308	20,848	9,516	34,023	4,904	143,726	4,028
New Brunswick	70,131	10,517	3,887	25,550	3,754	103,009	3,160
Quebec	7,189	682	322	3,155	733	11,404	325
Ontario	1,023,932	146,719	50,669	342,079	41,307	1,441,481	44,336
Manitoba	122,333	9,808	2,862	40,212	4,619	160,235	5,465
Saskatchewan	112,404	8,206	2,840	37,281	4,337	149,044	4,626
Alberta	209,279	20,915	6,741	66,409	11,154	284,140	9,219
British Columbia	358,267	34,662	9,280	104,852	12,706	469,939	14,101
Yukon	1,147	129	35	457	147	1,763	75
Northwest Territories	1,020	159	106	597	553	2,346	108
Outside Canada	25,902	1,913	1,018	7,460	1,537	35,961	444
Others <sup>3</sup>	66,689	8,614	3,804	14,853	3,958	97,721	--
<b>Total</b>	<b>2,140,858</b>	<b>272,777</b>	<b>96,010</b>	<b>697,513</b>	<b>93,658</b>	<b>2,988,911</b>	<b>88,469</b>
<b>Quebec Pension Plan<sup>4</sup></b>	<b>676,669</b>	<b>43,994</b>	<b>9,151</b>	<b>245,965</b>	<b>32,127</b>	<b>919,866</b>	<b>27,248</b>

1. Persons receiving combined pensions (surviving spouse's plus retirement or disability benefits) are counted only once as beneficiaries. The number of lump sum payments for death benefits is excluded from the total.
2. As benefit is lump sum payment, data reflect number of beneficiaries for 1993-94 fiscal year.
3. Beneficiaries paid by the supplementary cheques system and under International Social Security Agreements.
4. QPP figures include beneficiaries in all provinces as well as outside Canada.

Sources: CPP: Income Security Programs Branch, Human Resources Development Canada.  
QPP: The Quebec Pension Board.

**Canada Pension Plan  
Benefit Expenditures by Type  
1993-94  
(\$000s)**

Province/Territory	Retirement Pension	Disability Benefits		Survivor Benefits			Total <sup>1,2</sup>
		Disability Pension	Child's Benefit	Surviving Spouse's Pension	Orphan's Benefit	Death Benefits	
Newfoundland	162,333	70,426	11,098	44,904	6,810	4,356	299,927
Prince Edward Island	48,724	14,984	1,901	11,995	1,533	1,153	80,290
Nova Scotia	379,160	179,290	23,701	99,018	10,455	9,499	701,121
New Brunswick	282,542	93,368	9,783	71,288	7,689	7,012	471,681
Quebec	30,946	6,352	883	9,922	1,614	818	50,534
Ontario	4,825,662	1,371,952	134,764	1,013,742	88,580	111,969	7,546,669
Manitoba	522,020	88,285	7,073	113,672	9,852	12,570	753,471
Saskatchewan	471,796	75,078	7,250	100,479	9,166	10,301	674,070
Alberta	912,028	195,789	17,341	190,312	23,705	21,923	1,361,097
British Columbia	1,606,456	328,391	23,851	308,505	27,220	34,722	2,329,145
Yukon	5,229	1,142	97	1,311	321	167	8,267
Northwest Territories	4,022	1,552	261	1,722	1,269	198	9,024
Outside Canada	71,557	15,970	2,533	22,383	3,472	964	116,878
<b>Total<sup>2</sup></b>	<b>9,322,476</b>	<b>2,442,578</b>	<b>240,535</b>	<b>1,989,251</b>	<b>191,685</b>	<b>215,652</b>	<b>14,402,175</b>
<b>Quebec Pension Plan<sup>3</sup></b>	<b>2,831,674</b>	<b>395,710</b>	<b>6,604</b>	<b>901,548</b>	<b>16,206</b>	<b>65,782</b>	<b>4,217,524</b>

1. Total benefit expenditures include all combined pension payments (surviving spouse's pension and a disability or retirement pension); actual amounts have been included in the appropriate columns.
2. Totals may not add due to rounding.
3. QPP figures include benefit expenditures in all provinces as well as outside Canada.

Sources: CPP: Income Security Programs Branch, Human Resources Development Canada.  
QPP: The Quebec Pension Board.

## Canada Student Financial Assistance Program

The federal government provides financial assistance to eligible students with demonstrated financial need who are enrolled in universities, colleges and vocational courses. The Canada Student Loans Program (CSLP) supplements resources available to students to cover a portion of their costs.

The CSLP is delivered in collaboration with participating provinces, which are responsible for determining students' eligibility, assessing their financial need, issuing the loan certificates and designating eligible educational institutions. Private sector lenders provide the loans, and the federal government pays the interest on these loans while students are enrolled in full-time studies. Provinces also operate their own programs of student assistance, which supplement the federal program. Quebec and the Northwest Territories have opted out of the CSLP and receive alternative payments.

If loan recipients are temporarily ill or unemployed after their studies, the government may assume the payment of the interest on the loan for up to 18 months of interest relief. Borrowers with disabilities experiencing hardship in repaying their loans may have the loans forgiven. Currently, if borrowers default, the government pays the principal and accrued interest to the lender and attempts to recover the debt through private collection agencies, legal agents, and the withholding of income tax refunds.

### Eligibility

To be eligible for assistance, students must demonstrate financial need and enrol at an educational institution that has been designated for the purposes of the CSLP. These include universities, colleges, vocational and trade schools, nursing, teaching and private career colleges. The amount which students may be eligible to borrow is determined by comparing their education and living costs with the value of their own resources - earnings, awards and financial support from their families.

### Recent Changes

In April 1994, the government announced major reforms to its student assistance program. The *Canada Student Financial Assistance Bill* (Bill C-28) received Royal Assent in June 1994, but has not yet been proclaimed. As a result of the reforms:

- Assistance to students will be enhanced and targeted:
  - loan limits were increased effective August 1994 (*see Benefits*);
  - the ceiling on part-time loans was raised (*see Benefits*) and part-time students will pay only interest during studies;
  - non-repayable assistance will be introduced in the form of Special Opportunity Grants. These will be established to meet the exceptional education costs of students with disabilities (up to \$3,000 per year); high-need, part-time students (up to \$1,200 per year); and women in certain doctoral studies (up to \$3,000 per year for up to 3 years);
  - an objective, regionally-sensitive approach to assessing student need will be put in place.

- The repayment burden on recent graduates will be alleviated:
  - deferred grants will be offered to high-need students to reduce their debt loads to reasonable levels;
  - interest relief will be expanded to low-income borrowers experiencing temporary repayment problems.
- Consistency and fairness will be reinforced:
  - eligibility criteria will be revised to emphasize results by linking student aid to successful and timely completion of studies;
  - a common approach will be adopted with provinces to the designation of educational institutions.
- New financing arrangements for student loans, based on lender risk-sharing will be established:
  - all eligible students will be provided access to loans and to income-sensitive terms in repayment.
- Federal and provincial student assistance programs will be harmonized by streamlining financing and administration.
- New approaches to providing aid will be explored. Income contingent repayment (ICR) loans will be tested out through possible pilot projects with interested provinces.

## **Benefits**

On August 1, 1994, the maximum Canada student loan for full-time students was raised to \$165 per week of study (a 57 percent increase from the previous \$105 per week), amounting to \$5,610 for an average academic year. The part-time loan ceiling was increased from \$2,500 to \$4,000.

## **Indexation**

The Canada student loan limits may be increased in accordance with a formula.

## **Taxation**

Canada student loans are not taxable and the interest paid on Canada student loans is not tax deductible.

## **Financing/Administration**

The Canada Student Loans Program is administered by the Social Development and Education Group of Human Resources Development Canada. All payments for the CSLP, including interest, claims paid to lenders for defaulted loans, alternative payments, and collection costs are made out of the Consolidated Revenue Fund.

**Value of Canada Student Loans  
Negotiated and Number of Students  
1992-93 Loan Year<sup>1</sup>**

<b>Full-time Students</b>	<b>Number of Students</b>	<b>Value of Loans (\$000s)</b>
<b>Newfoundland</b>	11,431	33,666
<b>Prince Edward Island</b>	1,925	5,585
<b>Nova Scotia</b>	13,466	41,375
<b>New Brunswick</b>	12,983	41,082
<b>Ontario</b>	125,706	354,526
<b>Manitoba</b>	11,793	34,291
<b>Saskatchewan</b>	15,735	54,071
<b>Alberta</b>	35,502	113,733
<b>British Columbia</b>	33,873	107,553
<b>Yukon</b>	174	381
<b>Total</b>	262,588	786,263 <sup>2</sup>
<b>Part-time Students</b>	1,280	2,548
<b>Grand Total</b>	263,868	788,811 <sup>2</sup>

1. Loan year covers the period August 1, 1992 to July 31, 1993.

2. Totals may not add due to rounding.

Source: Social Development and Education Group, Human Resources Development Canada.

## Child Tax Benefit (CTB)

The Child Tax Benefit provides income-tested financial assistance to help parents provide for their children. It is a tax-free, monthly payment made to families with low- and middle-incomes on behalf of a child under the age of 18.

### Eligibility

To be eligible for the Child Tax Benefit, the parent must be the primary caregiver for the child, be a resident of Canada for income tax purposes, and have a net family income below a certain threshold. In addition, the parent or his/her cohabiting spouse must also be one of the following:

- a Canadian citizen;
- a permanent resident as defined by the *Immigration Act*;
- a visitor or holder of a permit as defined by the *Immigration Act* who has been resident in Canada for income tax purposes for the past 18 months; or
- a Convention Refugee as determined by the Refugee Determination Division of the Immigration and Refugee Board.

In any given month, only one parent may be eligible for the CTB in respect of a dependent child.

An application for the CTB must be filed when a child is born, when a child starts to reside with a parent or when the parent becomes eligible by meeting the criteria described above. For visitors and permit holders, the benefit may begin after 18 months of residence in Canada.

### Benefits

Payments are based on the number and ages of children and on the amount of the family net income reported on the tax return. The amount paid is gradually reduced for families with incomes above designated thresholds. Family net income equals the sum of the net incomes of the eligible parent and his or her spouse, including a common-law spouse.

The current basic annual amount equals the sum of \$1,020 per child plus \$75 for the third and each subsequent child, and an additional \$213 for each child under age seven. The additional amount for children under seven is reduced by 25 percent of any child care expenses claimed by the parents on the federal income tax form. Where family net income exceeds \$25,921, the total basic amount is reduced by five percent of income above this threshold for families with two or more children, and by 2.5 percent for families with only one child.

In addition to the basic amount, low-income working parents are eligible for a Working Income Supplement equal to eight percent of family working income in excess of \$3,750, to a maximum of \$500. This supplement is reduced at a rate of 10 percent of family net income in excess of \$20,921.

The total annual amount of the Child Tax Benefit is equal to the sum of the basic amount and the Working Income Supplement amount for eligible working parents. Monthly payments are equal to the total annual amount divided by 12.

The monthly payments are adjusted to reflect family changes, such as the birth of a child. Each July, the benefit payments are updated on the basis of net family income as reported on tax returns filed for the previous year.

Provinces may request that the federal government vary the amount of CTB payable in their own jurisdiction according to the age and number of children, provided that the variation does not affect the overall level of benefits paid within the province. Alberta varies the rate according to the age of the child, while Quebec varies the rate according to both the age of the child and the rank of the child. The rate variation only applies to the standard basic amount of \$1,020 per child; the modified amount for a particular child may not be less than 85 percent of the standard basic amount.

### **Indexation**

Benefit levels and income thresholds for the Child Tax Benefit are indexed each July to annual changes in the Consumer Price Index in excess of three percent.

### **Taxation**

The Child Tax Benefit is not taxable and therefore does not have to be reported on the recipient's tax return.

### **Financing/Administration**

The Child Tax Benefit is structured as a refundable tax credit and is legislated in the *Income Tax Act*. It is administered jointly by Revenue Canada and by the Income Security Programs Branch of Human Resources Development Canada. Payments are made from the federal government's Consolidated Revenue Fund.

### **Related Initiatives/Programs**

Federal or provincial departments, agencies or institutions caring for children (including penal institutions) do not receive the Child Tax Benefit. Instead, they receive Children's Special Allowances under the *Children's Special Allowances Act*, on behalf of children in their care. In some cases, the allowance may be paid directly to a foster parent.

The Children's Special Allowances rate is the same in all provinces and is equal to the basic amount of the CTB. The CTB taxation and indexation provisions also apply for Children's Special Allowances.

Human Resources Development Canada is solely responsible for the administration of Children's Special Allowances. Payments for the program are made from the federal government's Consolidated Revenue Fund.

**Child Tax Benefit  
Annual Benefits per Child<sup>1</sup>  
July 1994**

Basic benefit <sup>2</sup>			\$1,020
Alberta variation -	Child	0-6 years	935
		7-11 years	1,004
		12-15 years	1,133
		16-17 years	1,205
Quebec variation -	Child	0-11 years	
		First child	869
		Second child	1,000
		Third and each additional child	1,597
	Child	12-17 years	
		First child	972
		Second child	1,103
		Third and each additional child	1,700
Basic benefit reduction point			25,921
Supplement for 3rd and each additional child			75
Supplement for child under age 7			213
Working Income Supplement			500
Reduction point			20,921
Minimum income for entitlement			3,750

1. Monthly payments are equal to the annual amount divided by 12.
2. The Children's Special Allowances rate is equal to the basic benefit amount.

Source: Tax Policy Branch, Department of Finance.

**Child Tax Benefit**  
**Average Number of Recipients**  
**and Total Benefits Paid**  
**July 1993 to June 1994 Benefit Year**

<b>Province/Territory</b>	<b>Average Number of Children (12 month period)</b>	<b>Average Number of Families (12 month period)</b>	<b>Total Benefits Paid (\$000s)</b>
<b>Newfoundland</b>	132,840	77,080	123,514
<b>Prince Edward Island</b>	31,680	16,790	28,987
<b>Nova Scotia</b>	192,130	108,740	173,442
<b>New Brunswick</b>	161,400	92,870	146,932
<b>Quebec</b>	1,401,070	804,950	1,310,955
<b>Ontario</b>	1,940,610	1,057,820	1,692,528
<b>Manitoba</b>	251,170	129,190	235,080
<b>Saskatchewan</b>	247,600	120,100	234,662
<b>Alberta</b>	589,330	301,340	527,157
<b>British Columbia</b>	666,390	359,170	594,436
<b>Yukon</b>	6,230	3,340	5,604
<b>Northwest Territories</b>	17,720	7,960	17,016
<b>Outside Canada and Other</b>	1,340	730	1,187
<b>Total<sup>1</sup></b>	<b>5,639,510</b>	<b>3,080,080</b>	<b>5,091,500</b>

1. Totals may not add due to rounding.

Source: Statistical Services Division, Revenue Canada.

## **Established Programs Financing (EPF) Transfers in Respect of Post-Secondary Education**

Through the Established Programs Financing (EPF) arrangements, the federal government provides cash and tax transfers to provincial governments in support of post-secondary education. In 1993-94, these transfers totalled \$6.1 billion.

### **Benefits**

The EPF block-funding arrangements were introduced in 1977 to assist provinces in financing their post-secondary education systems, while leaving them the flexibility to allocate these resources according to their own priorities.

Provincial total entitlements are calculated by multiplying the per capita post-secondary education entitlement by the province's population, and is provided in the form of cash and tax transfers.

Tax transfers consist of a reduction in federal income tax rates to provide provinces with the opportunity to increase their own tax revenues without increasing the burden on the taxpayer.

The cash entitlements are determined by subtracting from the total entitlement the value of the tax transfer. The cash payments to provinces, which are made through the Post- Secondary Education Financing Program, include the current year's cash entitlement as well as various adjustments resulting from recalculation of previous cash entitlements. These recalculations become necessary when the values for tax revenues, population, GNP and other variables involved in the calculations are re-estimated or finalized.

### **Indexation**

Since 1989-90, the per capita entitlement has been fixed at \$211; however, because the total entitlement is based on population, total transfers have been increasing in line with provincial population growth.

### **Financing/Administration**

The Post-Secondary Education Financing Program is one of two established programs financed under the *Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act*, 1977. Federal funds are drawn from the Consolidated Revenue Fund.

The program is administered by the Education Support/Student Assistance Branch, Social Development and Education Group, Human Resources Development Canada.

**Established Programs Financing  
Entitlements for Post-Secondary  
Education  
1993-94  
(\$000s)**

<b>Province/Territory</b>	<b>Tax Transfer</b>	<b>Cash Entitlement</b>	<b>Total Entitlements</b>
<b>Newfoundland</b>	63,480	59,981	123,461
<b>Prince Edward Island</b>	14,460	13,664	28,124
<b>Nova Scotia</b>	101,115	95,540	196,655
<b>New Brunswick</b>	82,091	77,566	159,657
<b>Quebec</b>	1,148,381	377,844	1,526,225
<b>Ontario</b>	1,332,385	948,934	2,281,319
<b>Manitoba</b>	122,202	115,466	237,668
<b>Saskatchewan</b>	109,903	103,846	213,749
<b>Alberta</b>	302,081	265,317	567,398
<b>British Columbia</b>	409,880	343,714	753,594
<b>Yukon</b>	3,608	2,815	6,423
<b>Northwest Territories</b>	7,739	5,657	13,396
<b>Total<sup>1</sup></b>	<b>3,697,325</b>	<b>2,410,344</b>	<b>6,107,669</b>

1. Totals may not add due to rounding.

Note: The cash entitlements do not include adjustment payments for prior years and therefore differ from cash payments - see text for explanation.

Source: Department of Finance: 1993-94: First Interim Adjustment (94.10.07).

## **Federal Employment Programs**

These programs help Canadians who are having difficulties finding and keeping employment. By providing information, employment counselling, program funding, income support, wage subsidies and training for workers, unemployed people and employers, these programs help to improve Canada's labour market and strengthen the Canadian work force.

### ***Information and Special Initiatives Program***

#### ***Eligibility***

Both workers and people looking for work, and employers are eligible. Three of this program's four components - Labour Market Information, Service Needs Determination and the Labour Exchange - provide information. The fourth component, Innovations, supports research and tests new approaches that contribute to the better functioning of the labour market.

#### ***Benefits***

- *Labour Market Information* provides details on job openings, labour market conditions, available training courses and Human Resources Development Canada programs and services.
- *Service Needs Determination* provides early identification of individuals who need further employment assistance.
- *The Labour Exchange* acts as a clearinghouse for information on job vacancies for workers and employers.
- *Innovations* provides financial assistance to support research and tests new approaches that contribute to the better functioning of the labour market.

### ***Employability Improvement Program***

#### ***Eligibility***

The program is for people who are facing difficulties in the labour market, including UI claimants and those in receipt of social assistance benefits. Priority is given to women, persons with disabilities, visible minorities, Aboriginal people, displaced older workers and youth.

#### ***Benefits***

- *Counselling* helps people to assess their employment needs and define realistic employment goals.

- *Project-Based Training* combines classroom and on-the-job training for technical, interpersonal, effectiveness and life skills to help people find jobs. Participants receive allowances<sup>3</sup> and coordinators receive financial assistance for operating and training costs.
- *Job Opportunities* provides employers with a wage subsidy to hire and train selected individuals; this helps workers acquire the skills necessary to obtain long-term employment after the training is completed.
- Through the *Purchase of Training* component, basic skills courses, language training, courses in preparation for vocational training as well as vocational training itself, courses in preparation for employment, occupational orientation courses and apprenticeship courses can be purchased for the client. The courses are specifically for unemployed people and income support can be provided either through Unemployment Insurance benefits and/or allowances<sup>4</sup>.
- *Employment Assistance and Outreach* allows HRDC to provide specialized employment services through community groups, organizations and agencies to reach more individuals more effectively.
- *Youth Initiatives* are offered for young people both in school and out of the school system. These initiatives include:
  - Stay-in-School Initiative, which involves mobilization of interest groups, public awareness and information activities, and a program component (Start);
  - Co-operative Education, which provides funding to secondary schools, colleges, universities and CEGEPs (*Collèges d'enseignement général et professionnel* - in Quebec only) to establish a work/study program for their students;
  - Summer Employment/Experience Development (SEED), which offers wage subsidies to employers to encourage them to provide career-related summer employment for students returning to school in the fall;
  - Native Internship, which offers Aboriginal students summer employment opportunities within HRDC;
  - Business Drive for Jobs, a campaign promoting the hiring of students during the summer;
  - Student Business Loans which, in cooperation with the Federal Business Development Bank, provides loans for students to set up their own businesses over the summer months;
  - Canada Employment Centres for Students, which are established during the summer months to provide services specifically designed for students.

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<sup>3</sup> May include support to help meet the costs of commuting, dependant care, living away from home or of special arrangements for persons with disabilities to purchase aids to facilitate participation in, or to modify, a course.

<sup>4</sup> See footnote 3.

The Employability Improvement Program also provides travel and relocation assistance for people looking to secure new employment opportunities and contracts expertise from the private sector to help HRDC staff with projects, participant training and programming.

### ***Recent Changes***

In the fiscal year 1994-95, two new youth initiatives were introduced:

- *Youth Service Canada* aims at providing young unemployed Canadians between 18 and 24 with the opportunity to serve their community while gaining relevant work experience and developing work-related and personal skills through hands-on community service projects implemented by experienced local agencies.
- *Youth Internship* has been developed for the implementation of new entry-level training models based on partnerships between the private sector, the education and training community, and governments. The program is designed to provide structured pathways from school to work through three streams of programming:
  - sectoral,
  - community-based, and
  - school-based.

### ***Labour Market Adjustment Program***

#### ***Eligibility***

This program helps employers to assume primary responsibility for skills and human resource adjustment in the workplace.

#### ***Benefits***

- *Human Resource Planning* helps employers identify skills needed by employees to ensure that current and future workers meet these requirements.
- *Workplace-Based Training* shares the costs of the design and delivery of training or retraining for employed workers. A focus of the component is placed on designated group members to assist them to climb up the occupational ladder.
- *Work Sharing* provides income support to workers who are voluntarily working a reduced work week to avert temporary layoffs. For the days not worked, the government arranges for the workers to draw normal Unemployment Insurance benefits.
- *Industrial Adjustment Service* focuses on helping employers and employees jointly research, develop and implement action plans related to their specific labour market adjustment situation.
- *Labour Market Adjustment Assistance* encourages companies to train their employees.

## **Community Development Program**

### **Eligibility**

Communities facing severe labour market problems are eligible. The program helps them organize their resources to assess local problems and opportunities, and to develop and implement strategies that promise significant labour market impact.

### **Benefits**

The following are the three components of the Community Development Program:

- *Community Futures* helps rural and remote communities in managing change and adjustment by supporting the development of local institutions and by implementing locally designed strategies.
- *Self-Employment Assistance* allows unemployed individuals in receipt of either UI (including allowances<sup>5</sup>) or social assistance benefits to establish viable business plans to assist in starting their own business.
- *Local Projects* offers training, work experience and term job creation to improve positioning in the labour market through the following modules:
  - Job Development provides training and/or work experience to unemployed participants by contributing to training-related costs, wage subsidies and other specified costs.
  - Job Creation helps UI recipients or UI-eligible clients to get back into the work force by providing the opportunity for them to maintain or enhance their skills while continuing to receive UI benefits when other employment is not available.

### **Taxation**

Training allowances are considered to be income and are therefore taxable. Allowances for commuting, for living away from home and for travel are not taxable. Other supplementary allowances are taxable.

### **Financing/Administration**

Federal employment programs are financed through the Consolidated Revenue Fund and the Unemployment Insurance Account (UI Developmental Uses). The programs are administered by the Employment Group of Human Resources Development Canada.

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See footnote 3.

## **Related Initiatives/Programs**

### ***Sectoral Initiative***

This five-year initiative is intended to establish working partnerships between labour and management and other interest groups in the private sector to enable industry to manage its future proactively. The goal is to analyze and address human resource issues, and to assist in the development of formal educational and training systems suited to each industry's needs.

The initiative package involves the following key components:

- *Sector Studies* will assess future markets and technologies against the skills of the current labour force in order to provide data needed to forecast future labour market skills needs.
- *Sector Skills Councils* will be created to guide training efforts. These councils will provide a permanent forum to ensure that the private sector will implement its own human resource development and training strategies.
- *Occupational Standards* will be developed to determine the skills needed in different occupations. These will assist in the development of relevant training programs.
- *Skills Upgrading* will begin the process of upgrading training in the employed workforce.

The Employment Group, Human Resources Development Canada has reallocated \$250 million in federal support over the next five years as seed money for the initiative. Additional support will come from tax incentives. The federal investment is designed to generate greater private sector training investments. The private sector is responsible for the ongoing operation of the initiative.

### ***Program for Older Worker Adjustment (POWA)***

The Program for Older Worker Adjustment is a federal-provincial program designed to help unemployed older workers who have little chance for new jobs after a major layoff. POWA benefits provide some financial security for eligible unemployed workers after their UI benefits run out. The weekly benefits continue until age 65 as long as the individual is unemployed.

To be considered for POWA benefits, workers must:

- be part of a major permanent layoff designated under POWA and meet the program's individual eligibility criteria; and
- be 55 to 64 years of age at the time of the layoff.

Federal and provincial ministers decide which layoffs meet the POWA criteria. Monthly income support payments are made to each eligible worker from the date of expiry of the worker's Unemployment Insurance until age 65. POWA benefits are partially indexed based on the Consumer Price Index; indexation varies according to the province.

POWA is funded 70 percent by the federal government and 30 percent by participating provincial governments. POWA agreements are negotiated with the provinces.

POWA is administered by the Older Worker Adjustment Branch, Employment Group, Human Resources Development Canada and participating provincial governments.

### ***Provincial Employment Services***

Provincial governments offer programs and services to help people get back into, and participate in, the labour force. Some of these programs are cost-shared with the federal government under the Federal Provincial Agreements to Enhance the Employability of Social Assistance Recipients (*see Related Initiatives/Programs in Canada Assistance Plan section*). Arrangements are being pursued and experimental projects are in place to have both federal and provincial programs and services delivered under one roof.

**Employment Programs & Services**  
**Total Participants<sup>1</sup> by Program**  
**1992-93**

Province/Territory	Employability Improvement <sup>2</sup>	Labour Market Adjustment <sup>3</sup>	Community Development <sup>4</sup>	Total
Newfoundland	42,498	2,467	4,329	49,294
Prince Edward Island	6,669	1,632	1,063	9,364
Nova Scotia	22,855	3,014	3,007	28,876
New Brunswick	32,623	7,024	2,999	42,646
Quebec	123,205	55,368	19,488	198,061
Ontario	142,113	48,128	7,338	197,579
Manitoba	19,884	9,577	1,254	30,715
Saskatchewan	16,719	3,475	999	21,193
Alberta/NWT	55,070	10,305	3,336	68,711
BC/Yukon	73,757	17,203	6,280	97,240
<b>Total</b>	<b>535,393</b>	<b>158,193</b>	<b>50,093</b>	<b>743,679</b>

1. Includes all persons participating in 1992-93 (New Starts plus Carry-over) in programs/services funded through the Consolidated Revenue Fund and the UI Developmental Uses component of the Unemployment Insurance Account.
2. Includes participants in the following components: Project Based Training, Purchase of Training, Job Opportunities, Employment Assistance, Youth Initiatives and Mobility.
3. Includes participants in Workplace Based Training and those funded under UI Developmental Uses Section 24 - Work Sharing.
4. Includes participants in the following components: Local Projects and Self-Employment Assistance including UI Developmental Uses Section 25 - Job Creation.

Source: Employment Group, Human Resources Development Canada.

**Employment Programs & Services  
Expenditures<sup>1</sup> by Program  
1992-93  
(\$000s)**

Province/Territory	Information & Special Initiatives <sup>2</sup>	Employability Improvement <sup>3</sup>	Labour Market Adjustment <sup>4</sup>	Community Development <sup>5</sup>	Other <sup>6</sup>	Total <sup>7</sup>
Newfoundland	0	146,288	3,071	28,287	4,613	182,259
Prince Edward Island	0	20,730	1,861	5,172	0	27,763
Nova Scotia	0	104,098	3,956	21,403	2,461	131,918
New Brunswick	0	124,262	7,407	24,675	0	156,344
Quebec	0	641,922	66,066	145,265	3,219	856,472
Ontario	408	677,572	48,851	81,653	0	808,484
Manitoba	0	98,960	9,694	15,053	0	123,707
Saskatchewan	0	81,270	4,669	10,961	0	96,900
Alberta/NWT	0	214,528	12,220	34,353	0	261,101
BC/Yukon	2,731	322,343	25,779	62,007	0	412,860
NHQ	21,011	20,324	11,644	198	5,031	58,208
<b>Total<sup>7</sup></b>	<b>24,150</b>	<b>2,452,297</b>	<b>195,218</b>	<b>429,027</b>	<b>15,324</b>	<b>3,116,016</b>

1. Figures reflect total expenditures from both the Consolidated Revenue Fund (\$1.3 M) and the UI Developmental Uses component of the Unemployment Insurance Account (\$1.8 M). Figures exclude operating costs and costs for other government departments totalling \$485.0 M.
2. Includes expenditures under the Innovations Initiative only. This program is funded through the Consolidated Revenue Fund only.
3. Includes expenditures on the following components: Project Based Training, Purchase of Training, Job Opportunities, Employment Assistance, Youth Initiatives, Mobility Assistance, Delivery Assistance, Canadian Guidance & Counselling Foundation, Literacy Corps, and Outreach/Diagnostic Services.
4. Includes expenditures on the following components: Human Resource Planning, Labour Market Adjustment, Workplace Based Training, and Industrial Adjustment Service.
5. Includes expenditures on the following components: Local Development, Local Projects, and Self-employment Assistance.
6. Includes Kativik \$3.219 M, Community Economic Development Fund (CEDF) \$7.074 M, Slemon Park \$0.5 M, Canadian Labour Force Development Board (CLFDB) \$3.591 M, and Sectoral Training \$0.940 M. This program is funded through the Consolidated Revenue Fund only.
7. Totals may not add due to rounding.

Source: Employment Group, Human Resources Development Canada.

**Program for Older Worker  
Adjustment  
Program Summary Totals  
October 1988 - November 1994**

<b>Province/Territory</b>	<b>Eligible Older Workers</b>	<b>Annuity Purchase Price<sup>1</sup> (\$ millions)</b>	<b>Federal Contribution (\$ millions)</b>	<b>Provincial Contribution (\$ millions)</b>
<b>Newfoundland</b>	141	7.8	5.5	2.3
<b>Prince Edward Island</b>	0	0.0	0.0	0.0
<b>Nova Scotia</b>	255	11.2	7.8	3.5
<b>New Brunswick</b>	175	6.8	4.8	2.0
<b>Quebec</b>	5,141	199.5	140.3	60.2
<b>Ontario</b>	3,408	130.6	91.3	39.3
<b>Manitoba</b>	253	10.5	7.3	3.2
<b>Saskatchewan</b>	19	0.8	0.6	0.2
<b>Alberta</b>	0	0.0	0.0	0.0
<b>British Columbia</b>	406	20.3	14.2	6.1
<b>Yukon</b>	0	0.0	0.0	0.0
<b>Northwest Territories</b>	0	0.0	0.0	0.0
<b>Total</b>	9,798	387.5 <sup>2</sup>	271.8 <sup>2</sup>	116.8 <sup>2</sup>

1. Premiums paid for POWA annuities are less than the benefits ultimately paid to the beneficiaries.
2. Totals may not add due to rounding.

Source: Employment Group, Human Resources Development Canada.

## **Federal Workers Compensation Service (FWCS)**

The Federal Workers Compensation Service is responsible for ensuring that federal government employees, merchant seamen, penitentiary inmates and their dependants receive compensation for work-related accidents and illnesses through four programs which are described below.

### ***Government Employees Compensation Program***

This program, under the *Government Employees' Compensation Act* (GECA), provides benefits to federal employees who suffer work-related accidents or illnesses. It covers approximately 340,000 employees across Canada.

#### ***Eligibility***

The Act covers all employees of the federal government and most Crown corporations and agencies. The Act, however, excludes members of the regular force of the Canadian Forces or the Royal Canadian Mounted Police. It also excludes persons engaged to perform a service on a fee or contract basis.

#### ***Benefits***

Benefits received under the GECA include compensation for loss of earnings; medical, hospital and related services; rehabilitation services; and a lump sum payment or pension for permanently disabled recipients.

#### ***Financing/Administration***

Provincial Workers' Compensation Boards (WCBs) adjudicate the claims received under the *Government Employees' Compensation Act* and pay compensation benefits to injured workers. The federal government then reimburses the Boards for the cost of all benefits plus administrative costs. In turn, Crown agencies repay the federal government for benefits and administrative costs paid on the agencies' behalf. All payments to the WCBs are made from the federal government's Consolidated Revenue Fund.

This arrangement is provided for under administrative agreements between the Minister of Human Resources Development and each of the provincial WCBs. Claims originating in Yukon or Northwest Territories are adjudicated by the Alberta WCB.

### ***Public Service Income Benefit Plan for Survivors of Employees Slain on Duty***

This program provides monthly payments to survivors of federal employees killed in the line of duty.

#### ***Eligibility***

A surviving spouse and/or dependent children are eligible for payments under this plan where the death of the spouse resulted from an unlawful act of violence committed while he or she was performing employment duties. The appropriate provincial Workers' Compensation Board determines whether the death of the employee is duty-related.

## ***Benefits***

The plan provides an income guarantee to eligible dependants in the form of supplementary payments above what the survivors already receive from other benefits. The Canada Pension Plan, GECA and all other personnel benefits and pensions are taken into consideration in the calculation of benefit amounts.

## ***Financing/Administration***

Human Resources Development Canada receives claims from various departments and agencies and its Federal Workers Compensation Service adjudicates and administers the benefits of the plan. HRDC makes payments on claims and is reimbursed by Treasury Board Canada, on whose behalf the payments are made.

## ***Merchant Seamen Compensation Program***

The *Merchant Seamen Compensation Act* (MSCA) allows for the provision of compensation benefits to merchant seamen who are injured or disabled as a result of their work and who are not already covered by provincial workers' compensation provisions. Benefits are for loss of earnings and the cost of medical care.

## ***Eligibility***

Merchant seamen who are injured while their ship is on a "HOMETRADE" or "FOREIGN" voyage, as defined in the terms of the *Canada Shipping Act*, are eligible for benefits under the MSCA.

Fishers, pilots and merchant seamen entitled to claim under provincial workers' compensation programs are not entitled to benefits under the *Merchant Seamen Compensation Act*. A seaman who is eligible to claim compensation under the law of any foreign country, must elect to claim under the *Merchant Seamen Compensation Act*.

## ***Benefits***

Compensation is provided for loss of earnings at a rate of 75 percent of the beneficiary's gross actual wages to a maximum annual earning of \$32,875. In addition, medical, hospital and related services are also provided under this program.

## ***Financing/Administration***

Unlike the Government Employee's Compensation Program, payments are not made by provincial Workers' Compensation Boards, but are paid by the individual employer of the claimant. Benefit amounts are determined by the Merchant Seamen Compensation Board, an independent Board that receives and processes claims with secretariat support from the Federal Workers Compensation Service.

Employers are responsible for payment of benefits to employees and for the administrative costs to the Merchant Seamen Compensation Board and the FWCS. Employers must obtain insurance against the risk of claims and report all accidents to the Board.

## ***Compensation for Death or Disability Program***

Under the *Corrections and Conditional Release Regulation*, a former prison inmate who was injured while incarcerated may receive compensation benefits upon his or her release.

### ***Eligibility***

An inmate serving a penitentiary sentence who is injured as a result of an accident while participating in an approved program (i.e., work activities or training program), may be entitled to compensation benefits. In the case of an accident-related death, benefits are available to qualifying dependants.

### ***Benefits***

The maximum monthly payment for full disability is \$525. The entitlement is calculated based on the federal minimum wage and may be paid monthly or as a lump sum payment. The amount awarded reflects the degree of disability remaining after the inmate is released. Payments are made only after an inmate is released from the penitentiary upon completion of the sentence, either on statutory release or on full parole, and are stopped if the recipient is incarcerated again.

### ***Financing/Administration***

The program is administered by the Federal Workers Compensation Service of Human Resources Development Canada through a Memorandum of Understanding with Correctional Services. FWCS receives and processes all claims, then recovers the costs from the Solicitor General Canada.

## **Related Initiatives/Programs**

The majority of Canada's labour force is covered by provincial workers' compensation programs. Provincial legislation regulates the administration of the programs and specifies the industries that are required to provide compensation coverage. This legislation is administered by provincial Workers Compensation Boards (WCBs); their primary role is to determine, through adjudication, eligibility for compensation and the amount of entitlement. The Boards provide cash compensation, medical aid and rehabilitation services to injured employees. These programs are generally funded by employers.

**Federal Workers Compensation Service  
Claimants and Expenditures  
by Type of Benefit  
1993-94**

<b>Program</b>	<b>Expenditure (\$000's)</b>	<b>Claimants</b>
<b>Government Employees Compensation Program (GECA)<sup>1</sup></b>	47,508	39,543 <sup>2</sup>
<b>Public Service Income Benefit Plan</b>	196	11
<b>Merchant Seamen Compensation Program (MSCA)<sup>3,4</sup></b>	--	29
<b>Compensation for Death or Disability Program<sup>3,5</sup></b>	101	14 <sup>6</sup>

1. Total expenditures amounted to \$101,433,000 and include the cost of compensation payments and administrative charges paid to provincial Workers' Compensation Boards. Of this amount, \$53,925,000 was recovered from Crown Corporations and agencies. Amount shown represents the net cost to the federal government.
2. Represents the number of claims submitted during the year. The majority of claimants sustain short-term injuries and do not receive GECA benefits since they are covered under their injury-on-duty leave as part of their collective agreement.
3. Data relate to the 1993 calendar year.
4. No benefits paid by the federal government; benefits are paid directly to claimants by their respective employers.
5. Represents medical costs and compensation benefits (lump sums and pensions).
6. There were 119 active files during 1993; however, benefits are only paid when the claimant is released from penitentiary.

Source: Labour Group, Human Resources Development Canada.

## **Old Age Security (OAS), Guaranteed Income Supplement (GIS) and Spouse's Allowance (SPA)**

The Old Age Security, Guaranteed Income Supplement and Spouse's Allowance programs were established in 1952, 1967 and 1975 respectively, to provide the elderly with some measure of financial security. OAS provides a basic monthly pension for persons aged 65 or over who meet certain residence requirements. GIS provides an additional monthly payment for OAS pensioners with little or no income other than OAS. SPA provides a monthly payment to OAS pensioners' spouses 60 to 64 years of age whose income is below certain levels and to low-income widow(er)s 60 to 64 years of age, to ensure a minimum income until they become eligible for OAS.

### ***Old Age Security***

#### ***Eligibility***

All persons aged 65 or over who are Canadian citizens or legal residents may qualify for either a full or a partial OAS pension, depending on their years of residence in Canada after reaching age 18. Payment of the pension normally begins in the month following a person's 65th birthday, provided the application has been made in advance. In the case of a late application, retroactive payments for up to one year may be approved.

Residence requirements for a full pension may be met in two ways:

- persons who were 25 years of age or over on July 1, 1977, and either resident in Canada on that date or with some prior residence (after age 18), qualify if they have resided in Canada for the 10 years immediately prior to application;
- persons who were not yet 25 or with no previous residence in Canada on July 1, 1977, qualify for a full pension only if they have resided in Canada for 40 years after reaching age 18.

Those who cannot qualify for a full pension may receive a partial pension, provided they have at least 10 years residence in Canada after age 18.

The OAS pension may be paid indefinitely to a pensioner who has moved outside of Canada if that person has resided in Canada for at least 20 years after age 18. Otherwise, it may be paid for six months following the month of departure from Canada, to be resumed when the pensioner resumes residence in Canada.

#### ***Benefits***

Persons meeting the full residence requirements for OAS receive the full pension. A partial OAS pension is calculated at the rate of 1/40th of the full pension for each year of residence in Canada for those who have at least 10 years' residence after age 18. The partial rate is established at the time of application and does not increase with years of residence after age 65.

## ***International Social Security Agreements***

Reciprocal international social security agreements with other countries are designed to ensure that no one is left without coverage and to avoid duplication of coverage. Persons who live or have lived in a reciprocating country may add those periods of residence to their residence in Canada in order to satisfy the minimum requirements for OAS. Once eligibility has been established, the amount of OAS payable is proportionate to the actual periods of residence in Canada. Similar provisions apply in other contracting countries for establishing eligibility and determining benefits payable.

Agreements are in force between the Canadian federal government and 27 countries: Antigua and Barbuda, Australia, Austria, Barbados, Belgium, Cyprus, Denmark, Dominica, the Federation of St. Kitts and Nevis, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Jamaica, Jersey and Guernsey, Luxembourg, Malta, the Netherlands, Norway, Portugal, Saint Lucia, Spain, Sweden and the United States. In addition, agreements have been signed with Switzerland in February and with the Philippines in September 1994. These will come into force when ratified.

## ***Guaranteed Income Supplement***

### ***Eligibility***

OAS pensioners with no income or only a limited amount of income apart from OAS may, upon annual application, receive GIS benefits. The amount of GIS to which an individual is entitled is determined by marital status and income from the preceding taxation year. If the pensioner is married, the combined income of the pensioner and spouse is taken into account. Persons are required to apply for GIS benefits each year.

Income for GIS purposes is generally considered to be net income for income tax purposes and includes any money that the pensioner receives such as an earnings-related retirement pension, interest, dividends, rents, wages, etc. However, the *Old Age Security Act* specifically exempts certain sources of income, such as OAS benefits, the Child Tax Benefit, Canada or Quebec Pension Plan death benefits, Home Insulation Grants, social assistance benefits, Veterans' Disability Pensions and War Veterans Allowances.

If pensioners leave Canada, the Supplement is paid for six months following the month of departure, then is discontinued. It is resumed upon their return if all conditions of eligibility are met.

### ***Benefits***

There are two rates for GIS. One applies to single pensioners and also to married pensioners whose spouses are not in receipt of either the basic OAS pension or Spouse's Allowance. The other rate applies to legally married couples and couples living in common-law relationships, where both spouses are pensioners or where one is a pensioner and the other is a Spouse's Allowance recipient.

Where a GIS beneficiary is receiving only partial OAS benefits (because of residence requirements), the GIS benefit is increased to make up for any difference between the full OAS amount and the partial OAS benefit being received by low-income pensioners.

## ***Spouse's Allowance***

### ***Eligibility***

The spouse of a GIS pensioner may be eligible, upon application, for SPA if that spouse is 60 to 64 years of age and has 10 years residence in Canada after age 18. The amount of the allowance is based on the couple's combined yearly income. Recipients of SPA are required to reapply annually.

SPA is payable for six months following departure from Canada of either the spouse or the pensioner, whoever leaves first, and may be resumed only when both resume residence in Canada.

SPA stops when the recipient becomes eligible for an OAS pension at age 65. The benefit also ceases to be payable if the pensioner spouse becomes ineligible for GIS or the couple becomes separated or divorced.

A widowed spouse between the ages of 60 and 64 who has been a Canadian resident for at least 10 years after age 18 and who meets the residence requirements, may be eligible upon application for Widowed SPA, based on his or her income. The SPA stops if a widow or widower remarries.

### ***Benefits***

The amount of SPA to which an applicant is entitled is determined by the annual income of the applicant and, where applicable, the pensioner spouse.

The maximum full monthly SPA is equal to the full basic OAS pension plus maximum GIS at the married rate. The maximum amount for a Widowed Spouse's Allowance is somewhat higher.

### ***Indexation***

The OAS/GIS/SPA rates are escalated quarterly at the full rate of increase in the Consumer Price Index. The \$53,215 income threshold for recovery of OAS benefits (*see Taxation, below*) is indexed at the rate of increase in the CPI less three percentage points.

### ***Taxation***

OAS benefits are considered as taxable income under the *Income Tax Act*. In addition, higher income Canadians must repay all or a portion of their OAS benefits at a rate of 15 percent of individual net income over \$53,215 for 1994. The portion of OAS benefits which is repaid is deductible in determining the amount of income subject to the personal income tax.

### ***Financing/Administration***

Payments to beneficiaries of OAS/GIS/SPA are made out of the federal government's Consolidated Revenue Fund. Administration of the programs is done through a network of regional offices of the Income Security Programs Branch, Human Resources Development Canada.

## **Related Initiatives/Programs**

Nova Scotia, Ontario, Manitoba, Saskatchewan, British Columbia, Yukon and the Northwest Territories all provide top-up benefits to OAS/GIS or, in certain cases, to SPA recipients who meet income requirements. The programs differ in terms of the level of benefits payable, the frequency of payment, residence requirements, and other matters.

**Old Age Security, Guaranteed Income  
Supplement and Spouse's Allowance  
Maximum Monthly Benefits by Program  
January to October 1994**

<b>Program</b>	<b>January 1994</b>	<b>April 1994</b>	<b>July 1994</b>	<b>October 1994</b>
<b>Old Age Security (OAS)</b>	\$385.81	\$387.74	\$387.74	\$387.74
<b>Guaranteed Income Supplement (GIS)</b>				
Single Pensioner and One-Pensioner Family	458.50	460.79	460.79	460.79
Two-Pensioner Family (amount paid to each pensioner)	298.65	300.14	300.14	300.14
<b>OAS plus GIS</b>				
Single Pensioner and One-Pensioner Family	844.31	848.53	848.53	848.53
Two-Pensioner Family (amount paid to each pensioner)	684.46	687.88	687.88	687.88
<b>Spouse's Allowance (SPA)</b>				
Regular	684.46	687.88	687.88	687.88
Widowed	755.64	759.42	759.42	759.42

Source: Income Security Programs Branch, Human Resources Development Canada.

**Old Age Security, Guaranteed Income  
Supplement and Spouse's Allowance  
Number of Beneficiaries  
March 1994**

<b>Province/Territory</b>	<b>OAS only</b>	<b>GIS</b>	<b>Total OAS/GIS</b>	<b>Percentage GIS (%)<sup>1</sup></b>	<b>SPA</b>	<b>Total OAS/GIS/ SPA</b>
<b>Newfoundland</b>	15,778	42,377	58,155	72.9	4,675	62,830
<b>Prince Edward Island</b>	6,904	10,232	17,136	59.7	833	17,969
<b>Nova Scotia</b>	54,588	61,875	116,463	53.1	5,515	121,978
<b>New Brunswick</b>	38,886	52,379	91,265	57.4	4,943	96,208
<b>Quebec</b>	389,556	423,876	813,432	52.1	38,420	851,852
<b>Ontario</b>	850,685	380,837	1,231,522	30.9	29,206	1,260,728
<b>Manitoba</b>	85,560	64,118	149,678	42.8	4,596	154,274
<b>Saskatchewan</b>	79,239	63,741	142,980	44.6	5,040	148,020
<b>Alberta</b>	147,616	95,989	243,605	39.4	8,189	251,794
<b>British Columbia</b>	285,448	148,096	433,544	34.2	10,110	443,654
<b>Yukon</b>	696	512	1,208	42.4	45	1,253
<b>Northwest Territories</b>	432	1,282	1,714	74.8	142	1,856
<b>International Operations<sup>2</sup></b>	30,125	10,016	40,141	25.0	333	40,474
<b>Total</b>	<b>1,985,513</b>	<b>1,355,330</b>	<b>3,340,843</b>	<b>40.6</b>	<b>112,047</b>	<b>3,452,890</b>

1. The number of GIS beneficiaries is expressed as a percentage of the total number of OAS/GIS beneficiaries.

2. All persons paid under International Social Security Agreements.

Source: Income Security Programs Branch, Human Resources Development Canada.

**Old Age Security, Guaranteed Income  
Supplement and Spouse's Allowance  
Benefit Expenditures  
1993-94  
(\$000s)**

<b>Province/Territory</b>	<b>OAS</b>	<b>GIS</b>	<b>SPA</b>	<b>Total<sup>1</sup></b>
<b>Newfoundland</b>	267,497	145,729	22,481	435,706
<b>Prince Edward Island</b>	78,676	34,975	3,643	117,294
<b>Nova Scotia</b>	535,303	199,099	22,556	756,958
<b>New Brunswick</b>	419,596	170,980	21,820	612,397
<b>Quebec</b>	3,707,048	1,385,436	143,577	5,236,060
<b>Ontario</b>	5,581,066	1,209,338	101,758	6,892,162
<b>Manitoba</b>	680,909	208,189	19,005	908,104
<b>Saskatchewan</b>	657,908	206,353	20,287	884,548
<b>Alberta</b>	1,097,815	315,105	32,018	1,444,937
<b>British Columbia</b>	1,943,786	485,266	38,168	2,467,219
<b>Yukon</b>	5,516	1,892	209	7,617
<b>Northwest Territories</b>	7,904	5,320	1,027	14,251
<b>International Operations<sup>2</sup></b>	44,113	78,593	2,778	125,484
<b>Total<sup>1</sup></b>	15,027,136	4,446,274	429,328	19,902,738

1. Totals may not add due to rounding.

2. All persons paid under International Social Security Agreements.

Source: Income Security Programs Branch, Human Resources Development Canada.

## Strategic Initiatives

In the 1994 federal budget, the federal government allocated \$800 million over two years (1995-96 and 1996-97) for strategic initiatives to support innovative projects to training and getting people back to work. To provide the flexibility necessary to fund projects over more than two years, funding has been re-profiled over four years ending in fiscal year 1998-99. Human Resources Development Canada was given the responsibility to work with the provinces to identify these new approaches. The Strategic Initiatives Program was formally established in May 1994 to assess and fund proposals. The Program is a key element of the federal government's social reform process. It provides a unique mechanism for governments to take action in the high priority areas of employment, learning and education, income security and services to develop future policy directions. Priority proposals are jointly identified and developed in partnership with the provinces.

Projects supported under the Program will be funded on a cost-matching basis with the provincial and federal governments and will be in place for two, three, four or five years.

Initiatives announced to date include:

- *Transitions - The Changes Within* (Newfoundland). This will assist an estimated 5,300 students, recent graduates and unemployed individuals in accessing education and work. Federal funding amounts to \$10 million over 1994-95 and 1995-96.
- *Ready to Learn* (PEI). This will provide literacy training, life skills, academic upgrading and skills training to approximately 120 UI and social assistance (SA) recipients aged 18 to 26 who are at risk of long-term dependency. Federal funding amounts to \$1.4 million over three years, with an additional \$3.2 million from the Unemployment Insurance Developmental Uses Fund.
- *Choice and Opportunity* (PEI). This will streamline existing income support and SA programs for approximately 2,000 individuals with intellectual disabilities by including them in the decision-making process. Federal funding amounts to \$5 million over four years.
- *Success 2000* (Nova Scotia). This will facilitate 4,100 youth in transition from school to work through a multi-stream, internship training program which would increase private sector participation in student employment. Federal funding amounts to \$6.9 million over five years.
- *Compass* (Nova Scotia). This will provide training and employment opportunities to approximately 3,000 unemployed youth, single parents and other working age adults displaced from the labour market who are at risk of long-term dependency on SA. Federal funding amounts to \$7.5 million over three years.
- *N.B. Job Corps* (New Brunswick). This will provide approximately 1,000 older displaced workers with a guaranteed annual income for a minimum of 26 weeks of active placement in community-based projects. Federal funding amounts to \$40 million over five years.

- *JobLink Ontario* (Ontario). This will offer a coordinated spectrum of services and supports, delivered through multi-service resource centres, to help SA recipients prepare for and find jobs. Federal funding amounts to \$25 million for 1994-95.
- *Taking Charge* (Manitoba). This will provide direct links to employment and increase attachment of approximately 4,000 sole support parents on social assistance to the labour force through a multi-service storefront operation with close federal-provincial collaboration, active partnerships with employers, service providers, and community organizations. Federal funding amounts to \$13.1 million over five years.
- *Investing in People* (NWT). This will provide a comprehensive employment and training program including career planning, counselling, career development, life skills, upgrading services and some work experience to approximately 245 employable SA recipients through community-based projects. Federal funding amounts to \$4 million over 1994-95 and 1995-96.

### **Financing/Administration**

Funding for Strategic Initiatives is from the federal government's Consolidated Revenue Fund. The initiative is administered by the Strategic Initiatives Unit of the Social Development and Education Group, Human Resources Development Canada.

## **The Atlantic Groundfish Strategy (TAGS)**

The Atlantic Groundfish Strategy, which came into effect May 16, 1994, is a five-year initiative providing income support and labour market adjustment programs to fishers, plant workers and trawlerpersons affected by the east coast groundfish crisis. TAGS replaces the former Northern Cod Adjustment and Recovery Program (NCARP), the Atlantic Groundfish Adjustment Program (AGAP) and the Fishery Closure Training Allowance (FCTA), temporary measures introduced to assist groundfish plant workers and fishers affected by a two-year moratorium on northern cod and by groundfish catch declines in Atlantic Canada and Quebec.

### **Eligibility**

To be eligible for TAGS benefits, fishers are required to have met certain conditions during the period prior to the introduction of the strategy. The applicant must have been fishing full-time and possessed a personal fishing registration. He or she must also have been a member of a business that derived a minimum amount of revenue from groundfish stocks. In addition, the fisher must have acquired a specified number of weeks of Unemployment Insurance insurable earnings and/or qualified for UI during that period.

A fish plant worker or trawlerperson who was laid off from a designated groundfish plant may receive TAGS benefits provided the individual has the required number of weeks of insurable earnings and qualified for UI during the period prior to being laid off.

### **Benefits**

The Atlantic Groundfish Strategy benefits provide both financial support and various measures aimed at improving job access, job readiness and job opportunities for displaced workers in the fishing industry.

#### **(a) *Income Support***

Income support payments are based on an individual's average three year UI benefit rate, established by a UI claim during the period 1990 to 1992, less six percent. For fishers, plant workers and trawlerpersons who qualified under NCARP, the rate is based on the NCARP rate, less six percent. The amount of weekly income assistance available ranges from \$211 to \$382.

The duration of income support is based on attachment to the groundfish industry and is the greater of:

- two years; or
- 40 weeks for each year in which the individual had at least six insurable weeks of work fishing or processing fish and was eligible for UI. In addition, for each year in which more than 10 insurable weeks have been accumulated, three additional weeks will be credited for every week in excess of 10, to a maximum of 52 weeks in any one year.

A maximum of up to five years of benefits will be available to those with the longest attachment to the groundfish industry.

TAGS beneficiaries may earn additional income from employment, up to 25 percent of the benefit (50 percent for fishing income in 1994). Any employment income above this amount serves to reduce the benefit.

TAGS applicants who are eligible for Unemployment Insurance must apply for UI benefits. If the benefit is less than the TAGS rate, TAGS provides a top-up raising the benefit to the existing TAGS level.

### **(b) *Labour Adjustment***

The "active" labour adjustment component of TAGS stresses participants' involvement in skills development and training programs to prepare individuals for employment opportunities in a diversified and changing labour market. All TAGS applicants receive career planning and employment counselling to assess individual employment possibilities, to set goals and to develop individual action plans.

A number of options are available under this component which supplement the income support measures of TAGS. For example, applicants may receive financial compensation for training activities such as literacy training, community-based adult basic education and university study programs. As part of a 52-week work and learn cycle, applicants can participate in various "green projects", contributing to the preservation and enhancement of the environment. Applicants who find work outside the traditional fishery, paying at least minimum wage but less than the weekly income support amount, may receive an employment bonus, and employers may be eligible for a wage subsidy. Other types of assistance include financial assistance for eligible participants interested in establishing a business outside the fishery; financial assistance for relocating to find work; skills and trades training for youth under 25; participation in community opportunities projects; and assistance for older fish plant workers between 50 and 64 years of age who wish to retire.

### **Indexation**

No indexation provisions apply to The Atlantic Groundfish Strategy.

### **Taxation**

Benefits received under TAGS are considered as taxable income.

### **Financing/Administration**

Financing for The Atlantic Groundfish Strategy is provided through the federal government's Consolidated Revenue Fund with a contribution from the Unemployment Insurance Developmental Uses (UIDU) fund. The strategy is administered by the TAGS Management Team through regional and local Canada Employment Centres.

**The Atlantic Groundfish Strategy  
Number of Participants by Province  
1994<sup>1</sup>**

<b>Province</b>	<b>Approved</b>	<b>Rejected</b>	<b>To be Assessed</b>	<b>Total Applicants</b>	<b>Applicants In Pay<sup>2</sup></b>
<b>Newfoundland</b>	15,090	3,531	17,774	36,395	30,855
<b>Prince Edward Island</b>	275	58	109	442	297
<b>Nova Scotia</b>	4,158	1,550	2,001	7,709	4,605
<b>New Brunswick</b>	782	178	304	1,264	950
<b>Quebec</b>	2,324	860	184	3,368	2,296
<b>Total</b>	<b>22,629</b>	<b>6,177</b>	<b>20,372</b>	<b>49,178</b>	<b>39,003</b>

1. All participant data are as of October 11, 1994, with the exception of in-pay participants which are as of October 19, 1994.
2. Participants are considered "in pay" if they report bi-weekly under TAGS, regardless of whether they receive financial benefits. In-pay participants include roll-overs from the NCARP, AGAP and FCTA programs, many whom have not yet been assessed. Of these participants, an estimated 3,500 are in transition until December 31, 1994.

Source: Task Force on Atlantic Fisheries, Human Resources Development Canada.

**The Atlantic Groundfish Strategy  
Cost of Adjustment Measures Over Five  
Years for Planning Purposes  
1994  
(\$ millions)**

<b>Adjustment Measures<sup>1</sup></b>	
<b>Youth</b>	190
<b>Self-Employment Assistance</b>	40
<b>Skills Training</b>	375
<b>Relocation</b>	60
<b>Green Projects</b>	625
<b>Community Opportunities Pool</b>	80
<b>Older Worker Adjustment</b>	60
<b>Transition Income Support</b>	30
<b>Literacy</b>	10
<b>Five Year Total<sup>2</sup></b>	<b>1,470</b>

1. Income support is included under each adjustment measure.
2. Excluding amounts allocated for Human Resources Development Canada administration costs (\$100 million), the Department of Fisheries and Oceans Capacity Reduction costs (\$280 million), and Community Development costs for the Atlantic Canada Operations Agency and the Federal Office of Regional Development (Quebec) (\$50 million).

Source: Task Force on Atlantic Fisheries, Human Resources Development Canada.

## Unemployment Insurance (UI)

The federal Unemployment Insurance program provides income protection to eligible individuals who have lost their jobs, or who cannot work because of illness, pregnancy, or the birth or adoption of a child.

### Eligibility

Workers are eligible to receive UI benefits if they were employed in "insurable employment" on which they and their employers are required to make premium contributions to the UI account. Those employed for less than 15 hours and earning less than \$156 per week in 1994 are not considered to be in insurable employment. About 94 percent of workers in Canada are presently protected by Unemployment Insurance (excluding self-employed workers).

To receive regular unemployment benefits, an individual must have worked a minimum of between 12 and 20 weeks in the last 52 weeks or since the beginning of his/her last UI claim, whichever is the shorter period. The number of weeks required to qualify depends on the regional unemployment rate. Workers quitting their job without "just cause" (as defined in the *Unemployment Insurance Act*) or those fired for misconduct are not eligible for UI benefits. Workers who leave their job to preserve jobs for their co-workers as part of an employer's workforce reduction program are eligible.

Self-employed commercial fishermen who are unable to qualify for regular UI benefits may qualify for fishing benefits during their off season. Fishing benefits are subject to special rules regarding qualifying periods, determination of insured weeks, benefit periods, etc.

UI pays special benefits to persons who stop working because of sickness, injury, pregnancy and birth or adoption of a child. Generally, a worker must have 20 weeks of insurable earnings in order to be entitled to these benefits.

### Benefits

#### **(a) Regular Benefits**

Regular UI benefits are payable every two weeks when a person is unemployed, is available for work and actively looking for a job. All claimants must apply for benefits and must serve a two-week initial waiting period, during which no benefit is paid. While they are receiving benefits a report must be filed every two weeks.

The number of weeks a claimant can receive benefits varies from 14 to 50 weeks, depending on the number of weeks worked and the unemployment rate in his/her region of residence. A benefit schedule is used to determine the number of weeks of benefits to which claimants are entitled based on both of these factors. Claimants with dependants and low-insured earnings (i.e., at or below \$390 per week in 1994) receive 60 percent of their insured earnings to a maximum of \$234 per week. For all other claimants, the benefit rate is 55 percent of insured earnings to a maximum of \$429 per week in 1994.

Claimants can earn up to 25 percent of their weekly benefit rate through part-time employment without a reduction in their regular benefits. Any additional amounts earned are deducted dollar for dollar from benefits.

**(b) Special Benefits**

The following multi-tiered system of special benefits may be paid to claimants:

- 15 weeks of sickness benefits;
- 15 weeks of maternity benefits in the period surrounding the birth of a child;
- 10 weeks of parental benefits after the birth or adoption of a child, available to either the mother or the father or shared between them as they deem appropriate; and
- an additional five weeks of parental leave may be received if the child is at least six months old when he/she arrives in the home and requires special care due to health considerations.

More than one type of special benefit can be claimed within the same benefit period, up to a cumulative maximum of 30 weeks (i.e., seven weeks of sickness, 15 weeks of maternity, and eight weeks of parental benefits). In addition, claimants can receive special benefits in combination with regular benefits, but the total cannot exceed 30 weeks or the maximum regular benefit entitlement, whichever is greater. All employment-related earnings received while on sickness, maternity or parental benefits are deducted from benefits dollar for dollar.

**(c) Other Benefits**

Benefits may also be payable to claimants undertaking approved training, participating in approved job creation projects or work-sharing agreements, or enrolled in the Self-Employment Assistance Program. In addition, UI funds are also available to claimants to cover expenses incurred in moving to find employment.

**Recent Changes**

In June 1994, the *Budget Implementation Act* outlined the following changes to Unemployment Insurance:

- For 1995 and 1996, the UI premium rate will be reduced to \$3.00 for every \$100 of weekly insurable earnings. (The 1996 rate could be lower if circumstances permit).
- The number of weeks of entitlement to UI benefits has been reduced.
- The minimum entrance requirement for claiming UI benefits has been increased from 10 to 12 weeks.

- The benefit rate has been reduced to 55 percent of insured earnings, except for individuals with modest incomes and dependants, who receive an enhanced rate of 60 percent.
- Provisions governing workers who quit their jobs voluntarily or are fired for misconduct have been amended to make them more fair.

## **Indexation**

Except when specially set by Parliament, the UI premium rate is set annually by the Canada Employment and Immigration Commission, subject to approval by the Minister of Finance and by the Governor in Council. Maximum weekly insurable earnings are increased each year in accordance with an eight-year moving average of employees' annual average earnings.

## **Taxation**

UI benefits are taxed as income; furthermore, claimants whose net yearly income in 1994 is more than \$60,840 must pay back up to 30 percent of UI benefits received in 1994 when their income tax return for that year is filed.

## **Financing/Administration**

The UI program is financed through employer and employee premiums that are paid to the UI account. Employers deduct workers' premiums from their pay and forward them to Revenue Canada, along with their own contribution. In 1994, employees pay \$3.07 for every \$100 of weekly insurable earnings up to a maximum weekly contribution of \$23.95 (maximum contribution of \$1,245 per year). Employers pay \$4.30 for every \$100 of insurable earnings (1.4 times the rate for employees) to a maximum weekly contribution of \$33.53 per employee (maximum contribution of \$1,743 per year) in 1994.

Unemployment Insurance is administered by the Insurance Group of Human Resources Development Canada, with Revenue Canada being responsible for the collection of premiums, determination of insurable employment and benefit repayment. Application for benefits is made at local Canada Employment Centres.

## **Related Initiatives/Programs**

Some employers offer Supplemental Unemployment Benefit (SUB) plans to their employees when they are off work because of a temporary layoff, illness or training. These benefits are paid in addition to UI benefits. Many employers also offer approved wage-loss plans to their employees for illness or maternity. Since these employees may not have to collect UI, their employers receive a premium rebate from the UI account. Nearly half of insured workers are covered by such wage-loss plans.

In the Premium Reduction Program, employers and employees can pay a reduced amount of UI premiums when the employers' sick leave plan provides a primary level of protection that is at least for as long a time as UI sickness coverage and is paid at a weekly rate that is equal to or above the UI benefit rate, because both parties have reduced the liability against the UI program.

**Unemployment Insurance  
Average Number of Beneficiaries  
by Type  
1993-94**

<b>Province/Territory</b>	<b>Regular</b>	<b>Sickness</b>	<b>Parental<sup>1</sup></b>	<b>Fishing</b>	<b>Other<sup>2</sup></b>	<b>Total<sup>3</sup></b>
<b>Newfoundland</b>	58,773	710	1,047	3,055	5,084	68,669
<b>Prince Edward Island</b>	13,231	232	390	913	984	15,750
<b>Nova Scotia</b>	51,461	1,564	2,469	3,355	3,660	62,509
<b>New Brunswick</b>	55,586	1,334	1,854	1,037	5,312	65,123
<b>Quebec</b>	338,425	8,052	22,606	591	23,904	393,578
<b>Ontario</b>	279,666	10,925	35,449	63	24,730	350,833
<b>Manitoba</b>	27,172	1,146	3,480	317	4,004	36,119
<b>Saskatchewan</b>	22,359	810	2,725	34	2,319	28,247
<b>Alberta</b>	70,037	2,428	8,098	22	6,304	86,889
<b>British Columbia</b>	111,491	5,617	9,799	3,083	10,198	140,188
<b>Yukon</b>	2,107	35	97	1	190	2,430
<b>Northwest Territories</b>	1,593	44	224	13	180	2,054
<b>Outside Canada</b>	165	2	29	1	0	197
<b>Total<sup>3</sup></b>	<b>1,032,066</b>	<b>32,899</b>	<b>88,267</b>	<b>12,485</b>	<b>86,869</b>	<b>1,252,586</b>

1. Includes maternity, parental and adoption benefits.

2. Other includes training, work sharing, job creation, and self-employment assistance.

3. Totals may not add due to rounding.

Source: Administrative Statistics, Human Resources Development Canada.

**Unemployment Insurance  
Benefit Expenditures by Type  
1993-94  
(\$000s)**

<b>Province/Territory</b>	<b>Regular</b>	<b>Sickness</b>	<b>Parental<sup>1</sup></b>	<b>Fishing</b>	<b>Other<sup>2</sup></b>	<b>Total<sup>3</sup></b>
<b>Newfoundland</b>	727,809	8,429	14,472	54,986	106,236	911,933
<b>Prince Edward Island</b>	167,298	2,525	4,877	20,256	17,500	212,457
<b>Nova Scotia</b>	639,345	18,567	32,358	72,415	74,487	837,172
<b>New Brunswick</b>	731,197	16,160	23,505	22,357	92,747	885,967
<b>Quebec</b>	4,508,288	101,208	314,620	12,611	474,408	5,411,135
<b>Ontario</b>	3,959,672	155,916	552,492	1,041	569,643	5,238,764
<b>Manitoba</b>	344,591	14,874	46,343	4,130	70,237	480,174
<b>Saskatchewan</b>	284,518	9,598	35,003	418	50,373	379,910
<b>Alberta</b>	968,691	31,231	113,220	435	138,977	1,252,554
<b>British Columbia</b>	1,532,342	75,773	139,705	64,207	224,970	2,036,997
<b>Yukon</b>	35,825	532	1,703	19	4,611	42,691
<b>Northwest Territories</b>	26,643	755	3,857	238	6,300	37,793
<b>Outside Canada</b>	3,046	39	657	8	6	3,756
<b>Total<sup>3</sup></b>	13,929,266	435,607	1,282,814	253,121	1,830,494	17,731,303

1. Includes maternity, parental and adoption benefits.

2. Other includes training, work sharing, job creation, and self-employment assistance.

3. Totals may not add due to rounding.

Source: Unemployment Insurance Statistics, Statistics Canada.

## **Vocational Rehabilitation of Disabled Persons Program (VRDP)**

Under time-limited agreements with all provinces, the federal government contributes 50 percent of the eligible costs incurred by provinces in providing a comprehensive program for the vocational rehabilitation of persons with physical and/or mental disabilities. The current agreements cover the three-year period from April 1, 1993 to March 31, 1996, with the option to extend them for an additional two-year period provided no changes are made to the existing cost-sharing provisions and to current policy interpretation.

Although the federal government specifies the terms for obtaining cost-sharing, provinces are solely responsible for the administration of their programs, including their design, eligibility requirements and method of delivery.

### **Eligibility**

Eligible clients are persons of working age who have physical and/or mental disabilities, and who require vocational rehabilitation services to become capable of regularly pursuing a substantially gainful occupation. These include persons who are disabled because of psychiatric, sensorial, intellectual or learning impairment and/or impairment relating to mobility, and because of alcohol and drug addictions.

Unlike the Canada Assistance Plan, which also provides for cost-sharing of benefits to persons with disabilities, financial need is not a consideration, with the exception of cost-shared maintenance/training allowances that are provided on a personal needs basis.

### **Benefits**

Goods and services provided to individuals under a comprehensive vocational rehabilitation program include:

- assessment;
- counselling;
- restorative goods and services including prostheses, orthotics, wheelchairs, technical aids and other devices;
- vocational training and employment placement;
- books, tools and equipment required during the course of the vocational rehabilitation process;
- maintenance or training allowances as required by each individual;
- follow-up goods and services for a period of up to 36 months after a person has entered employment; and
- goods and services provided when an individual is at risk of losing employment due to a disability.

These are either provided directly by the province or through provincially-supported voluntary agencies. Provinces have mechanisms in place that enable individuals to appeal decisions related to their eligibility, both when applying for goods and services and throughout their vocational rehabilitation.

VRDP shares in the following costs:

- salaries, travel and training of provincial and agency staff whose duties are directly related to the vocational rehabilitation program, and certain other administrative expenses;
- costs of specific goods and services for individual clients;
- costs of publicity concerning the provincial program; and
- costs of provincially-supported research projects to improve the operation of vocational rehabilitation programs.

### **Taxation**

Benefits are not subject to income tax. However, they are taken into consideration in determining entitlement to the federal Child Tax Benefit and the Goods and Services Tax Credit.

### **Financing/Administration**

Financing for VRDP is provided through the federal government's Consolidated Revenue Fund. VRDP is administered by the Social Development and Education Group of Human Resources Development Canada.

**Vocational Rehabilitation of Disabled  
Persons  
Federal Contributions  
1992-93  
(\$000s)**

<b>Province/Territory</b>	
<b>Newfoundland</b>	4,170
<b>Prince Edward Island</b>	325
<b>Nova Scotia</b>	9,514
<b>New Brunswick</b>	2,888
<b>Quebec</b>	28,165
<b>Ontario</b>	65,655
<b>Manitoba</b>	11,755
<b>Saskatchewan</b>	9,909
<b>Alberta</b>	26,621
<b>British Columbia</b>	23,010
<b>Yukon</b>	0
<b>Northwest Territories</b>	3
<b>Total<sup>1</sup></b>	182,015

1. Total may not add due to rounding.

Notes: It is estimated that more than 200,000 Canadians with disabilities benefit from programs cost-shared under VRDP.

The above amounts reflect the payments made to the provinces for claims submitted during the fiscal year and may include payments for costs incurred in previous years.

Source: Social Development and Education Group, Human Resources Development Canada.

## NOTES

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